



February 24, 2009

6531

Statement
Of
Anthem Blue Cross and Blue Shield
On
HB 6531 An Act Clarifying Postclaims Underwriting

Good afternoon Senator Crisco, Representative Fontana and members of the Insurance and Real Estate Committee, my name is Christine Cappiello and I am the Director of Government Relations for Anthem Blue Cross and Blue Shield in CT. I am here to testify against HB 6531 An Act Clarifying Postclaims Underwriting.

Anthem is opposed to this legislation because we believe it is unnecessary. In 2007, this committee and the Legislature passed **07-113 AN ACT CONCERNING POSTCLAIMS UNDERWRITING**, which was landmark legislation passed to address a situation that arose in the individual insurance market. It set clear perimeters around when insurers can rescind individual applications and apply pre-existing conditions. This legislation by all accounts seems to be obtaining its goal of stopping the practices of carriers rescinding applications without have a basis to do so. If this bill were to go forward it would essentially halt the individual application process as we know it because adding involvement of any party in the enrollment process would mean delays cause significant customer abrasion.

Our concerns also lie around these things: 1) what are the credentials of the people involved, 2) is there a potential violation of confidentiality for our members if we were to disclose information about specific conditions to the DOI, 3) what is the impact to our established timeframes for resolving claims, and 4) what is the added administrative burden of adding another layer to the process and cost.

Members are sufficiently protected by the existing law and Insurance Department bulletin, both from two years ago, which clearly establish the expectation that thorough medical underwriting

should be conducted at the point of application if an insurer intends to cancel, limit, or rescind coverage based on application responses. Under the existing law and bulletin, Insurance Department approval is required if a carrier did not perform complete medical underwriting at the point of application. That type of approach strikes the proper balance for these issues, especially knowing that there are appeal and complaint avenues as well.

We strongly urge the committee to reject this legislation.